

CALIFORNIA ENERGY COMMISSION1516 NINTH STREET
SACRAMENTO, CA 95814-5512**STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION****Implementation of Restructuring)
Legislation (Public Utilities Code)
Sections 381, 383.5, and 445)
Legislation (Public Utilities Code)
Sections 381, 383.5 and 445)
[AB1890, SB 90]: Renewables)****Docket No. 98-REN-EXI
Docket No. 98-REN-EME
Docket No. 96-REN-1890
NOTICE OF BUSINESS MEETING
RE: Changes to Guidelines for Existing
and Emerging Renewable Resources
Accounts and to Overall Guidelines for
Renewable Resource Trust Fund.****NOTICE OF PROPOSED CHANGES TO THE GUIDELINES FOR THE
EXISTING AND EMERGING RENEWABLE RESOURCES ACCOUNTS AND
TO THE OVERALL GUIDELINES FOR THE RENEWABLE RESOURCE TRUST FUND**

The California Energy Commission's Electricity and Natural Gas Committee (Committee) is proposing substantive changes to Volume 1 and Volume 3 of the *Guidebook for the Renewable Energy Program (Guidebook)*, applicable to the Existing Renewable Resources Account and Emerging Renewable Resources Account, respectively, and to the *Overall Guidelines for the Renewable Resource Trust Fund*. The Commission will consider adopting the proposed changes as part of its regularly scheduled Business Meeting on:

WEDNESDAY, May 16, 2001

Beginning at 10:00 a.m.

CALIFORNIA ENERGY COMMISSION

Hearing Room A

1516 Ninth Street

Sacramento, California

(Wheelchair Accessible)

Based on the *Overall Guidelines for the Renewable Resource Trust Fund*, substantive changes to the *Guidebook* may be made upon the recommendation of the Committee with the approval of the Commission, and shall take effect once adopted at a publicly noticed meeting.

The proposed changes to Volume 1 of the *Guidebook* are attached and are shown relative to the current guidelines, dated October 2000, with new text shown in underline and deleted text shown in strikeout font. These changes are summarized as follows:

- Reallocating \$15 million dollars of unused roll over funds in the Existing Renewable Resources Account to the Emerging Renewable Resources Account for purposes of increasing the rebates level under the Emerging Renewable Buydown Program pursuant to Assembly Bill 29x (Ch. 8, Stat. 2001-02, 1st Extraordinary Session).

Please note that the Commission will consider the transfer of additional unused roll over funds from the Existing Renewable Resources Account for purposes of funding a third auction under the New Renewable Resources Account. The transfer of these additional funds was initially considered at the Commission's April 18, 2001 Business Meeting, and will be considered again at the May 16, 2001 Business Meeting. Please refer to the Committee's April 6, 2001 public notice for information concerning this transfer of unused roll over funds.

The proposed changes to Volume 3 of the *Guidebook* are attached and are shown relative to the current guidelines, dated March 2001, with new text shown in underline and deleted text shown in strikeout font. These changes are summarized as follows:

- Increasing the rebate levels to \$4.50/watt or 50% of total costs for all eligible systems pursuant to Assembly Bill 29x. To be eligible for this increased rebate level, the funding must be reserved and the system must be installed on or after February 8, 2001; the date the Governor announced his intent to augment program funding to increase rebate levels.

The proposed changes to the *Overall Guidelines for the Renewable Resource Trust Fund* are attached and are shown relative to the current guidelines, dated October 2000, with new text shown in underline and deleted text shown in strikeout font. These changes are summarized as follows:

- Modifying the process for petitioning the denial, cancellation or reduction of funding awards to give the Committee discretion to consider petitions based on the written submittals of the petitioners and interested parties.

Written Comments

The Committee encourages interested members of the public to review and comment on the proposed changes. Members of the public may submit written or verbal comments at the Business Meeting on May 16, 2001, but they are strongly **encouraged to submit written comments by March 14, 2001.**

Those submitting written comments should provide 12 copies to the Commission's Docket Unit. Those interested in filing comments by e-mail may send them to <docket@energy.state.ca.us> and need only submit one hard copy to the Docket Unit. If you are providing written comments at the Business Meeting, please make an additional 30 copies available at the beginning of the Business Meeting. Written materials filed with the Docket Unit or provided at the Business Meeting become part of the public record. Please send or deliver written materials to:

California Energy Commission

**Re: Docket Nos. 98-REN-EXI,
98-REN-EME,
96-REN 1890,**
Docket Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5504

Assistance

The Commission's Public Adviser provides assistance regarding participation in Commission activities. Members of the public who would like information on how to participate in this proceeding may contact the Public Adviser's Office by phone at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at [<pao@energy.state.ca.us>](mailto:pao@energy.state.ca.us).

If you have a disability and require reasonable accommodations to participate at the Business Meeting, please contact Robert Sifuentes at (916) 654-5004 at least five days before the meeting.

Members of the public who have technical questions regarding the subject matter of this notice may contact Marwan Masri, manager of the Renewable Energy Program, by phone at (916) 654-4531 or by e-mail at [<mmasri@energy.state.ca.us>](mailto:mmasri@energy.state.ca.us). News media should direct inquiries to Claudia Chandler, Assistant Director, at (916) 654-4989.

Dated: May 4, 2001

**STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION**

MICHAL C. MOORE
Commissioner and Presiding Member
Electricity and Natural Gas Committee

ARTHUR H. ROSENFELD
Commissioner and Associate Member
Electricity and Natural Gas Committee

Mass Mail Lists: Master63
Attachment

PROPOSED CHANGES TO VOLUME 1 OF THE *GUIDEBOOK*

Introduction

Assembly Bill 1890 (AB 1890)¹, enacted on September 23, 1996, provides \$540 million for the support of renewable electricity generation technologies. These funds will be collected from the ratepayers of the three largest investor-owned utilities in California from 1998 through March 31, 2002, to support existing, new, and emerging renewable electricity generation technologies. As part of the requirements of AB 1890, the California Energy Commission (Energy Commission) submitted a Policy Report² to the Legislature with recommendations for allocating the \$540 million.

Senate Bill 90 (SB 90)³, enacted on October 12, 1997, places the \$540 million into the **Renewable Resource Trust Fund**, and contains explicit directions for distributing this fund through four distinct accounts: the Existing Renewable Resources Account, the New Renewable Resources Account, the Emerging Renewable Resources Account, and the Customer-Side Renewable Resource Purchases Account. Table 1 shows the percentage funding allocations by year.

Table 1
Yearly Allocations to Renewable Technologies⁴

Account	1998	1999	2000	2001	Overall	(in millions)
Existing Technologies	57%	49%	41%	33%	45%	\$243 ⁵
New Technologies	24%	28%	32%	36%	30%	\$162
Emerging Technologies	10%	10%	10%	10%	10%	\$54
Customer-Side	9%	13%	17%	21%	15%	\$81

To assist potential program participants of the Renewable Energy Program in applying

¹ Chapter 854, Statutes of 1996

² **Policy Report on AB 1890 Renewables Funding**, published March 1997, publication number 500-97-002.

³ Chapter 905, Statutes of 1997

⁴ These percentages apply to \$135 million dollars annually for four years as assumed in the **Policy Report on AB 1890 Renewables Funding**. Due to the fact that \$135 million will not be collected in the early years, it may be necessary to borrow funds from one account to make payments in another account equal to the absolute amounts expected annually. This will be done only if the account from which money is borrowed is not adversely affected. All funds borrowed will be returned to the appropriate account.

⁵ Pursuant to Public Utilities Code section 383.5 the Commission will reallocate as much as \$40 million dollars of unused roll over funds in the Existing Renewable Resources Account for purposes a second New Renewable Resources Account auction to bring additional electrical capacity on-line by the summer of 2001. The actual reallocation of funds will take place, if at all, within six to ten months of conducting this second auction. The amount of funds to be reallocated will depend upon the results of the second auction and the availability of funds that may revert back to the New Renewable Resources Account because of canceled or reduced funding awards under the first New Renewable Resource Account auction. An additional \$15 million in unused roll over funds in the Existing Renewable Resources Account will be transferred to the Emerging Renewable Resources Account for purposes of increasing rebate levels pursuant to Assembly Bill 29x (Chapter 8, Statutes 2001-02, 1st Extraordinary Session).

PROPOSED CHANGES TO VOLUME 3 OF THE *GUIDEBOOK*

greater in aggregate capacity, will receive an 18 month reservation period and may request an extended reservation period, which may be granted at the Commission's discretion.

When the system is installed and in service, the Reservation Confirmation and Claim Form (CEC-1890C-2) should be submitted with documentation of a safe installation (a copy of the building permit), an electricity bill (if applicable), warranty documentation, and any other required information. If the Claim Form and required information is complete, the Energy Commission will then issue a check for the buydown, typically within 30 days of receiving the CEC-1890C-2.

Table 2
Buydown Program Parameters

BUYDOWN PROGRAM FUNDS BLOCK	Rebate
All Small systems (10kW or less)	The lesser of \$4.50 \$3 /watt or 50% of total installed costs
Medium/large systems (over 10kW)	The lesser of \$2.50/watt or 40% of total installed costs

To be eligible for this level of incentive, the funding must be reserved and the systems must be installed on or after February 8, 2001.

The Buydown Program is open to generating systems of all sizes, subject to certain conditions and restrictions. The program, however, is intended to favor small generating systems, such as those typically used by residential or small commercial and agricultural customers. Pursuant to SB 90 at least 60 percent of the total \$54 million in program monies must be awarded to systems of 10 kW or smaller in rated output, and an additional 15 percent of the program funds must be awarded for systems rated at 100 kW or less. For otherwise eligible generating systems placed in service (i.e., installed and generating) after September 1, 1998, there is a maximum payment amount of \$2,500,000 overall for any single project as defined herein. Also, for all systems placed in service after September 1, 1998, any incentive received through grants, rebates, buydowns, cost-sharing, or in any similar forms from any source other than this program must be deducted from the eligible system costs before the buydown payment is determined.

The Energy Commission will conduct random audits of systems which have received buydown payments to ensure that the systems were properly installed, are properly functioning and are in accordance with the information provided in the reservation request and buydown claim forms. The Energy Commission will also periodically review the results of the Buydown Program to determine if modifications or changes to the level of buydown or other program terms and conditions are necessary to achieve the

PROPOSED CHANGES TO THE *OVERALL GUIDELINES*

Chapter 6. Reconsideration of Funding Awards, Funding Award Cancellations, and Registration

1. Committee Reconsideration

Any individual or entity that applied for but was not granted a funding award, whose funding award was cancelled or reduced, that applied for but was not granted registration as a renewable supplier, provider or wholesaler, or whose registration was revoked may petition the Committee for reconsideration. The petition for reconsideration shall be in writing and shall be submitted, together with any supporting documentation, to the Committee at the following address within 15 days of receipt of the notice of funding award denial, cancellation, reduction, or registration denial or revocation.

Address: California Energy Commission
Electricity and Natural Gas Committee
1516 9th Street, MS-34
Sacramento, CA 95814-5512

The petition shall specify the basis upon which the appeal is made, explain why the petitioner believes the funding award denial, cancellation, reduction, or registration denial or revocation is improper given the eligibility criteria for the funding award or registration, explain any the supporting documentation filed with the petition, identify any the legal authority or other basis supporting the petitioner's ing party's position, and identify the remedy sought.

Address: California Energy Commission
Electricity and Natural Gas Committee
1516 9th Street, MS-34
Sacramento, CA 95814-5512

Within 30 days of receipt of the petition the Committee, in its discretion, shall either issue a decision based on its consideration of the petition and the Commission staff's written response, or schedule a hearing to consider the petition. If a hearing is scheduled the petitioner shall be notified and shall notify the petitioning party of the hearing date and any additional information the petitioner ing party is directed to submit. This notice shall be given at least 15 days in advance of the Committee hearing date. The Committee may direct the petitioner ing party and Commission staff to may attend the Committee hearing to offer pertinent testimony.

The Committee shall provide the petitioner ing party with a written decision on the petition within 30 days of holding the hearing. Should the petitioner ing party disagree with the Committee's decision the petitioner ing party may appeal the decision to the Commission pursuant to section 2 of this chapter.